



Town of Arlington, Massachusetts
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Meeting Minutes 06/04/2007

ARLINGTON FINANCE COMMITTEE
 7:30 PM TOWN HALL HEARING ROOM
 6/4/07

ATTENDEES:

McGaffigan*	Fey*	Dunn*	O'Neill*	Mahoney
DeCoursey*	Connors*	Simmons*	Bayer	
Tosti*	Foskett*	Deyst*	Ronan*	
Ferrara*	Franclemont	Jones*	Olsen*	
DuBois*	Howard*	Fanning*	Carman	Kneeland*

Indicates present

VISITORS: Deputy Town Manager Nancy Galkowski, Treasurer Steve Gilligan, Fire Chief Alan McEwen

TREASURER TRANSFER:

Gilligan requested \$10k from the reserve fund to pay for completing a system which will allow residents to pay taxes, water bills, parking tickets and potentially other bills issued by the Town over the internet. The total amount needed is \$15k with the rest coming from Treasurer accounts. He provided an update to the memo he sent by email several weeks ago. Gilligan explained that taxpayers will pay for the service with a charge of 3% to 3.5% of the bill. A taxpayers who arrange a direct debit from their bank accounts will pay \$0.25 per payment. He expects no ongoing software maintenance expense. He stated that \$7k to \$8k has been spent in FY07. Gilligan promised a total cost for the project. The vendor for handling the transactions will be MCC. This company will not require access to the Town's database and the town will not be responsible for illegal use of the charge card information.

Dunn reported for the ad hoc subcommittee investigating this request. He stated that this expenditure is "water over the dam" and he proposed approving the request with a recommendation that future efforts to develop substantial software follow a different procedure. This matter received a thorough discussion. Knowledgeable members believe that additional costs are likely and that less expensive alternatives are available. Members hope that the transfer of the IT function to the manager will strengthen the Town's approach to these matters. VOTED to approve the \$10k transfer from the Reserve Fund to the Treasurer expense budget and to transfer \$3k from personal services to expenses in the Treasurer's budget and furthermore to recommend that future software expenses be considered first by the Capital Planning Committee. 14-1-1. Dunn to draft a letter for the Chair to send to the Treasurer explaining the vote.

TOWN MANAGER TRANSFERS:

Galkowski provided an updated spreadsheet listing all proposed end-of-year transfers to go with the memo provided by email last week. She gave a reason for each transfer. The total amount from the Managers budgets was \$499,648. The bulk of these moneys will go to fund retirement buyouts (unused sick leave, vacation time and deferred salary increases) with about half coming from the police budget. She proposed applying \$200k unused DPW funds, \$80k unused Comptroller funds, and \$10k+ from the Deferred Salary Account (and bottoming it out). She answered many questions with emphasis on sick leave & vacation time. McEwen expanded on the memo he had sent by email together with a set of charts showing the history of overtime expenses. He believes that the overtime increase is caused mostly by the reduction of staff to 76. He estimates that if the staff were increased to 88, the cost of salaries and benefits would exceed the cost of overtime for a staff of 76. He has taken steps to reduce abuse of sick leave.

These transfer requests also generated extensive discussion. Several members believe the overtime budget

should be realistic. This budget has increase steadily over the last few years. Although members believe these transfers are not emergencies, members observed that \$500k budget overruns within a \$102m budget. 0.5%, is not bad management. The purpose of the Reserve Fund is changing. As budgets tighten, this fund must provide some of the slack that used to be distributed across departments. VOTED to approve the transfers laid out in Galkowski's revised spreadsheet. Unanimous

COMMITTEE:

VOTED to authorize the Chair to transfer up to \$10k and with the approval of the Vice Chairs up to \$25k from the Reserve Fund until regular meetings resume in the fall. Unanimous.

TOWN DAY BOOTH: 9/8 Dunn canopy, Franclemont table, 9:30-11:30 Foskett, Fanning; 11:30-1:30 Jones, Howard; 1:30-3:30

PROJECTOR FOR MEETINGS: Jones to see what is available in Community Safety Bldg.

BUYOUT LIABILITY (unused sick leave, unused vacation time, deferred salary increase): Tosti to request a report from Manager in Sept.

WRAPUP DINNER at Scutras: 6:45 6/13

RESERVE FUND BALANCE: \$220,000-\$209,645.16-\$10,000 = \$354.84

Peter B Howard Secretary 6/5/07 Revised 6/11/07

cc FinCom Members, Selectmen, Town Manager, Comptroller, Library File, Town Web Site FinCom Web Site